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AZ CORP COMMISSION  
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## BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL  
Chairman  
JIM IRVIN  
Commissioner  
MARC SPITZER  
Commissioner

NEW

In the matter of:

DOCKET NO. S-03427A-02-0000

NON-STOP SHOPPING.COM, INC.  
d/b/a 2C2K.COM, INC.  
4757 East Greenway Road  
Phoenix, Arizona 85032

**NOTICE OF OPPORTUNITY FOR  
HEARING REGARDING PROPOSED  
ORDER TO CEASE AND DESIST, FOR  
RESTITUTION, FOR ADMINISTRATIVE  
PENALTIES, AND FOR OTHER  
AFFIRMATIVE ACTION**

DONALD L. LEVINE  
2 West Waltann Lane  
Phoenix, Arizona 85023

KENNETH MARK DEUBNER  
7911 East Princess Drive, #1249  
Scottsdale, Arizona 85255

STEPHEN ROSENBAUM  
6801 East Evans Drive  
Scottsdale, Arizona 85254

BOBBIE JO SWARTZ  
6801 East Evans Drive  
Scottsdale, Arizona 85254

Arizona Corporation Commission

DOCKETED

MAY 20 2002

DOCKETED BY

Respondents.

**NOTICE: RESPONDENTS HAVE 10 DAYS TO REQUEST A HEARING**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents have engaged in acts, practices, and transactions, which constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

**I.****JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

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**II.**

**RESPONDENTS**

2. At all times material hereto, Respondent NON-STOP SHOPPING, INC. d/b/a 2C2K.COM, INC. ("2C2K") was a Nevada corporation authorized to do business in Arizona, with its registered place of business in Arizona at 4757 East Greenway Road in Phoenix, Arizona.

3. Respondent DONALD L. LEVINE ("LEVINE") is an Arizona resident and a married man; his last known residence address is 2 West Waltann Lane, Phoenix, Arizona. At all times material hereto, LEVINE operated a marketing and public relations business in Phoenix, which operated from his former residence at 1301 East Missouri in Phoenix, Arizona.

4. Respondent KENNETH MARK DEUBNER ("DEUBNER") is a married man and an Arizona resident; his last known residence address is 7911 East Princess Drive #149, Scottsdale, Arizona. DEUBNER is an attorney who is licensed to practice law in Texas, but not licensed to practice law in Arizona.

5. Respondent STEPHEN ROSENBAUM ("ROSENBAUM") is a single man and an Arizona resident; his last known residence address is 8732 East Sharon Drive, Scottsdale, Arizona.

6. Respondent BOBBIE JO SWARTZ ("SWARTZ") is a single woman and an Arizona resident; her last known residence address is 8732 East Sharon Drive, Scottsdale, Arizona.

7. The respondents may be collectively referred to as "RESPONDENTS".

8. RESPONDENTS did acts within and from Arizona out of which the claims herein arose.

**III.**

**FACTS**

9. On or about June 30, 1999, 2C2K was incorporated as a Nevada corporation.

10. DEUBNER was the initial President and Secretary of 2C2K.

11. At the time of its incorporation, 2C2K had no tangible assets.

12. 2C2K was authorized to do business in Arizona on or about July 9, 1999, as a d/b/a designation of NON-STOP SHOPPING.COM, INC.

1           13.   RESPONDENTS planned that 2C2K would establish an on-line "shopping mall" that  
2 would provide an opportunity for Internet shoppers to purchase various products.

3           14.   RESPONDENTS had an agreement with Quantum Computer Services, Inc., dba  
4 MyOwnEmail.com ("MOE"), a Louisiana corporation, pursuant to which MOE had agreed to provide  
5 advertising to email subscribers for the 2C2K "mall."

6           15.   RESPONDENTS negotiated with merchants to offer goods and services through their  
7 Internet "shopping mall"; however, RESPONDENTS never set up a website that would offer the goods  
8 and services these merchants had agreed to provide.

9           16.   Beginning on or about June 30, 1999, RESPONDENTS offered and sold shares of stock  
10 in 2C2K within and from Arizona; RESPONDENTS promoted their investment to potential investors  
11 through personal contacts with potential investors.

12           17.   RESPONDENTS prepared a written business plan for 2C2K (the "Business Plan"),  
13 copies of which were provided to some potential investors in 2C2K.

14           18.   The Business Plan contained false and misleading statements regarding the business of  
15 2C2K and the status of its business, and omitted to state material facts regarding the business and status  
16 of business of 2C2K. Among other things, the business plan:

17           a)    Stated that 2C2K would "immediately construct" its website, when in fact  
18 RESPONDENTS did not immediately construct the website;

19           b)    Projected that the business would be profitable by the fourth quarter of 1999,  
20 when RESPONDENTS had no reasonable basis in fact for that projection;

21           c)    Failed to provide any background information regarding the principals of the  
22 company, and did not provide even the names of certain principals of the company;

23           d)    Provided financial and profit projections without any factual basis therefor; and

24           e)    Presented estimated expenses that did not accurately reflect the manner in which  
25 RESPONDENTS intended to utilize or actually utilized investment capital.

26           19.   During the course of offering and selling shares of 2C2K stock, RESPONDENTS

1 represented that the stock would be publicly offered within six months after each investor's purchase and  
2 that, if the stock were not publicly offered by the end of such six month period, the investor could request  
3 the return of the investment. The impression given to potential investors was that the company would  
4 return the investment capital to the investor.

5 20. RESPONDENTS offered and sold shares of 2C2K stock to at least five investors.  
6 RESPONDENTS received a total of at least \$85,000.00 from investors arising from such sales. Although  
7 the sales were purportedly made pursuant to a private placement exemption from registration,  
8 RESPONDENTS failed to comply with the requirements for such an exemption from registration.  
9 RESPONDENTS' failures to comply included failure to ensure that the investors all were accredited or  
10 sophisticated investors, and/or failure to provide investors with sufficient truthful information to enable  
11 them adequately to evaluate the risks of the investment.

12 21. Funds received from investors were deposited into LEVINE's personal bank account,  
13 and/or were deposited into DEUBNER's Texas attorney's Trust Account, and/or were transferred from  
14 LEVINE's account to DEUBNER'S Texas attorney's Trust Account.

15 22. Funds received from investors were distributed directly to RESPONDENTS from  
16 LEVINE's account or from DEUBNER's Texas attorney's Trust Account.

17 **IV.**

18 **VIOLATION OF A.R.S. § 44-1841**

19 **(Offer or Sale of Unregistered Securities)**

20 23. From on or about June 1, 1999, LEVINE, DEUBNER, SWARTZ, and ROSENBAUM  
21 offered or sold securities in the form of shares of stock in 2C2K, within or from Arizona.

22 24. The securities referred to above were not registered pursuant to the provisions of Articles  
23 6 or 7 of the Securities Act.

24 25. This conduct violates A.R.S. § 44-1841.

25 26. All RESPONDENTS made, participated in, or induced the violations referred to herein  
26 and therefore are liable for the above violations of A.R.S. § 44-1841.

V.

**VIOLATION OF A.R.S. § 44-1842**

**(Transactions by Unregistered Dealers or Salesmen)**

27. RESPONDENTS offered or sold securities within or from Arizona, while not registered as dealers or salesmen pursuant to the provisions of Article 9 of the Securities Act.

28. This conduct violates A.R.S. § 44-1842.

29. All RESPONDENTS made, participated in, or induced the violations referred to herein and therefore are liable for the above violations of A.R.S. § 44-1842.

VI.

**VIOLATION OF A.R.S. § 44-1991**

**(Fraud in Connection with the Offer or Sale of Securities)**

30. In connection with the offer or sale of securities within or from Arizona, RESPONDENTS directly or indirectly: (i) employed a device, scheme, or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts which were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; and (iii) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes, but is not limited to, the following:

a) RESPONDENTS represented 2C2K would make an initial public offering of its stock within six (6) months after investors purchased their shares, when in fact RESPONDENTS had no basis in fact for making such a representation.

b) RESPONDENTS represented to potential investors and investors that, if 2C2K's stock was not publicly offered within six months after an investor's purchase, the investor could request the return of the full amount invested. This representation gave rise to an inference that an investor's funds would be returned pursuant to such a request, when in fact no investor's funds were returned pursuant to such a request.

1 c) RESPONDENTS failed to ensure that all potential investors were accredited or  
2 otherwise sophisticated investors before accepting their investments.

3 d) RESPONDENTS failed to provide potential investors with information adequate  
4 to enable them to evaluate the risks of the investment.

5 e) RESPONDENTS failed to provide potential investors with accurate written  
6 information regarding the financial condition of 2C2K.

7 f) RESPONDENTS failed to disclose to potential investors the purposes for which  
8 the funds invested would be utilized, and specifically failed to disclose that those funds would be  
9 distributed directly to the principals and promoters of 2C2K.

10 31. RESPONDENTS' conduct violates A.R.S. § 44-1991.

11 32. All RESPONDENTS made, participated in, or induced the violations referred to herein  
12 and therefore are liable for the above violations of A.R.S. § 44-1991.

13 **VII.**

14 **REQUESTED RELIEF**

15 The Division requests that the Commission grant the following relief against RESPONDENTS:

16 1. Order RESPONDENTS to permanently cease and desist from violating the Securities Act,  
17 pursuant to A.R.S. § 44-2032;

18 2. Order RESPONDENTS to take affirmative action to correct the conditions resulting from  
19 their acts, practices or transactions, including a requirement to make restitution pursuant to A.R.S.  
20 § 44-2032;

21 3. Order RESPONDENTS to pay the state of Arizona administrative penalties of up to five  
22 thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036; and

23 4. Order any other relief that the Commission deems appropriate.

24 **VIII.**

25 **HEARING OPPORTUNITY**

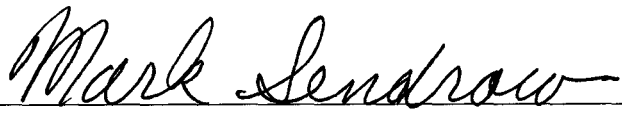
26 RESPONDENTS may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. A

1 request must be in writing and received by the Commission within 10 business days after service of this  
2 Notice of Opportunity for Hearing. Each RESPONDENT must deliver or mail the request to Docket  
3 Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. A Docket  
4 Control cover sheet must accompany the request. A cover sheet form and instructions may be obtained  
5 from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at  
6 [www.cc.state.az.us/utility/forms/index.htm](http://www.cc.state.az.us/utility/forms/index.htm).

7 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20  
8 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or  
9 ordered by the Commission. If a request for a hearing is not timely made, the Commission may, without  
10 a hearing, enter an order against each RESPONDENT granting the relief requested by the Division in this  
11 Notice of Opportunity for Hearing.

12 Persons with a disability may request a reasonable accommodation such as a sign language  
13 interpreter, as well as request this document in an alternative format, by contacting Shelly M. Hood,  
14 Executive Assistant to the Executive Secretary, voice phone number (602) 542-3931, e-mail  
15 [shood@cc.state.az.us](mailto:shood@cc.state.az.us). Requests should be made as early as possible to allow time to arrange the  
16 accommodation.

17 DATED this 17<sup>th</sup> day of May, 2002.

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20 Mark Sendrow  
21 Director of Securities

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